

1 UNITED STATES BANKRUPTCY COURT
2 FOR THE EASTERN DISTRICT OF NEW YORK
3 -----X
4 RE:
5 BRICKCHURCH ENTERPRISES, INC.,
6 Debtor,
7 Chapter 11
8 Case No.:
9 2270914-ast
10 -----X

11 DATE: February 10, 2023
12 TIME: 9:30

13 DEPOSITION of ANNE SYLVIA, a Witness
14 on behalf of Internal Revenue Service,
15 taken by the Debtor, pursuant to Court
16 Order, held at the Offices of Duane Morris,
17 at the above-mentioned date and time,
18 before MARINA DUBSON, a Notary Public of
19 the State of New York.

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22
23

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2

1 APPEARANCES:

2

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7

8 U.S. DEPARTMENT OF JUSTICE
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12

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18 BY: [!ATTORNEY3]

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3

1 REPORTER: Mr. Murphy, will you
2 be ordering a copy of this
3 transcript?

4 MR. MURPHY: Yes, I will be.

5 EXAMINATION BY

6 MR. MESSENGER:

7 Q. What's your name?

8 A. Anne Sylvia.

9 Q. Ms. Sylvia, who do you work
10 for?

11 A. Internal revenue service.

12 Q. What's your business address?

13 A. Two ninety Broadway New York
14 New York one zero zero seven.

15 Q. We talked before the deposition
16 you're from Philadelphia area correct?

17 A. Correct.

18 Q. What's the address Philadelphia
19 you work out of?

20 A. I work in New York I live
21 outside of Philadelphia.

22 Q. So we're here to take your
23 deposition today as you can see seated to
24 your left corporate stenographer she's
25 taking down what we say today because she

↑

4

1 can only take down speaking at one time I
2 hope you would let me get the question out
3 before you wait?

4 A. I will.

5 Q. If you do it I'll say wait and
6 if you do it I say wait?

7 A. Okay.

8 Q. This is formal environmental
9 you're under oath the testimony you're
10 giving is same as you're giving in the
11 court of law do you understand that?

12 A. Yes.

13 Q. During the deposition is this
14 just question and answer I will ask
15 questions and you can answer to the best of
16 your ability I will make my questions as
17 clear as you possibly can if I fate with

18 that I don't want you to answer the
19 question I want to you tell me it's either
20 not clear or pose indeed a way you didn't
21 understand it I'll rephrase it as many time
22 you you need me to till you understand it?

23 A. I do.

24 Q. Would you -- do you agree to do
25 it?

⬆

5

1 A. I do.

2 Q. I'm going to show you some
3 documentation I'll refer to its exhibit
4 number?

5 A. Okay.

6 Q. When I ask you a question I may
7 focus you on a particular provision of the
8 document or part of a document when I do
9 that I want you to review as much of the
10 document you need to do to put my question
11 in a proper context I don't hear you say
12 later I didn't UPS the context in which the
13 question is asked do you agree to do that?

14 A. Yes.

15 Q. It's not a hurry up do best we

16 can if you need some time to look at the
17 document take all the time you wish okay?

18 A. Okay.

19 Q. The other thing are is but the
20 court reporter can only take down verbal
21 answers in order she can't take doeses of
22 the head wings of the eyes shrug of the
23 shoulderer nonverbal gestures you just
24 nodded?

25 A. I do because you said nodding.

↑

6

1 Q. Have you ever had your
2 deposition taken before?

3 A. No, I have not.

4 Q. Did you previous for your
5 deposition?

6 A. To a certain extent.

7 Q. Tell me what you did in
8 preparation?

9 A. We discussed Department of
10 Justice yesterday.

11 Q. Did you review any document?

12 A. I did review some of my
13 histories that I left on the case as well

14 as the pacer I looked at pacer only because
15 I needed to know what flagged me to this
16 whole situation that's going on right now.

17 Q. What did you learn from pacer?

18 A. Because I knew what flagged me
19 to it I didn't remember what exactly it was
20 called motion you guys filed to avoid the
21 liens that were filed by the IRS.

22 Q. Actually you saw you're the one
23 who completed and executed proof of claim;
24 is that correct?

25 A. Yes, I did.

↑

7

1 Q. Now I want to show you hear
2 comes your first learning SPOOERNGS with
3 documents we're going to mark this as your
4 deposition number one?

5 Q. I'm showing you what we've
6 marked as your deposition number one do you
7 have that duplicate in front of you?

8 A. I do you have seen that
9 document before.

10 A. I'm going to let you know in
11 just a second.

12 (Plaintiff's Exhibit #,
13 description, was marked for
14 identification as of this date.)

15 A. Yo I have.

16 Q. When was the first time you saw
17 this document I'm not exactly sure?

18 Q. Last week last month layer
19 year?

20 A. I would say within the week.

21 Q. And were you designated to
22 testify in regard to certain categories
23 that are listed on the notice of deposition
24 your exhibit one?

25 A. I was.

↑

8

1 Q. Do you know which categories
2 you were deNate today talk about category
3 one and category six?

4 Q. So category one says the draft
5 the draft in filing preparation of proof of
6 claim filed by the internal revenue service
7 on December one 2022 in this procedure do
8 you see that yes, I do?

9 Q. What did you review in regard

10 to preparing yourself to testify on behalf
11 of that subject?

12 A. Can you be a little more
13 specific.

14 Q. In preparation for your
15 deposition did you review documents in
16 preparation for your ability to testify in
17 regard to that categories?

18 A. Yes I reviewed the actual proof
19 of claim that was filed did you review any
20 other documents besides the proof of claim.

21 A. I can't think of any at this
22 moment.

23 Q. Did you talk to anybody in
24 regard to your preparation today so that
25 you could testify in regard to the proof of

↑

9

1 claim?

2 A. Yes I discussed this with
3 counsel.

4 Q. Did you discuss with anybody
5 else?

6 A. No.

7 Q. Did you do was there any

8 investigation that was required on your
9 part in order to prepare yourself to
10 testify about the proof of claim?

11 A. No.

12 Q. And in regard to number six
13 which reads the receipt of notice tell us
14 of the filing of this bankrupt proceeding
15 the internal operating procedures of the
16 internal revenue service that govern the
17 receipt of nuds R NOTSs of bankrupt SKIS
18 and the action taken by the earn TENL REEF
19 service after receiving though bankruptcy
20 case you have designated to testify on
21 behalf of IRS on that category correct?

22 A. Yes.

23 Q. In regard to preparation today
24 did you review any document toss help or
25 assist and be prepared to testify on behalf

10

1 of IRS in those categories?

2 A. Yes, it's my case it's been my
3 case from the GIPing I reviewed my case
4 history just to refresh my member are there
5 internal operating procedure at the

6 internal REF service that are applicable to
7 filing proof of claims.

8 A. Can you elaborate.

9 Q. I wish I could are I don't know
10 what they are are DL books manual documents
11 other things training things anything that
12 helps you know what to do in regarding
13 filing a proof of claim?

14 A. So the proof of claim is
15 handled through automatic proof of claim
16 system at the IRS so once we input the mom
17 knee in this case ITIN number it runs
18 through a search and INL natural database.

19 Q. You can't ask him for help?

20 A. Internal it's called IDRS I'm
21 sorry if I don't have the exact name
22 internal database system.

23 Q. I don't care about the name
24 tell me what it does?

25 A. It searches data for her TINZ

↑

11

1 number liability she has automatically
2 brings him over automatic proof of claim
3 system.

4 Q. In regard to the proof of claim
5 system do you check it against any other
6 information or you just rely upon it?

7 A. No I actually go into the
8 actual data that came over I verify if to
9 MRAK sure figurings that were entered on
10 the computer system are correct.

11 Q. How do you verify it?

12 A. I literally look at the actual
13 proof of claim that's filled out then I
14 match it against the liability against IDRS
15 system.

16 Q. You make sure that the number
17 that appears on the proof of claim is
18 consistent?

19 A. With the liability that show
20 up.

21 Q. And you said her whose name did
22 you run?

23 A. Louise Blouin.

24 Q. Why did you run Louise Blouin's
25 name when you were trying to figure out

↑

1 what to file in regard to the proof of

2 claim?

3 A. Because she's the owner of
4 Brickchurch.

5 Q. How did you come to know that
6 she was the owner of Brickchurch?

7 A. It's on the petition.

8 Q. And are you talking about the
9 bankruptcy petition?

10 A. I am go you think the
11 bankruptcy Petit lists Louise Blouin the
12 owner of the debtor.

13 A. As I recall.

14 Q. When you say owner she was
15 listed as owner of Brickchurch Enterprises
16 INS of dell swear the debtor?

17 A. Correct.

18 Q. If we take a look at that
19 bankrupt possession it's incorrect would
20 you agree the information you completed on
21 paragraph of claim as well incorrect as
22 well?

23 A. No.

24 Q. Why is that?

25 A. Because she I DNLT prepare for

1 all of these I wasn't aware of these
2 questions I don't have the copy of the
3 actual petition in front of me .

4 Q. Before we get to that how did
5 you know to file a proof of claim?

6 A. So, can we start from the
7 beginning I guess.

8 Q. I just want you to answer the
9 question if that means start from the
10 beginning that would make sense to me when
11 I originally received the case I did my
12 initial research it came up Louise Blouin
13 was the owner of Brickchurch?

14 Q. Okay?

15 A. It didn't matter to me at that
16 point because she wasn't in bankruptcy and
17 I had Brickchurch was my debtor I didn't
18 file any proof of claim for Brickchurch
19 because they didn't have any liability at
20 the time when I was reviewing the case
21 later it came to my attention at a liens
22 were filed that's how I knew Louise Blouin
23 had this liability.

24 Q. How did it come to your

25 attention?

↑

14

1 A. When I was reviewing pacer, I
2 noticed that there was a motion to avoid
3 the Israel lien, I didn't file an Israel
4 lien therefore I was confused I didn't have
5 any liability under Brickchurch I contacted
6 expense certificate because his name was
7 revenue officer that filed the lien on
8 behalf of internal revenue service that's
9 when all this came to light.).)

10 (Plaintiff's Exhibit #,
11 description, was marked for
12 identification as of this date.)

13 Q. You have it that's the
14 information that comes from your system
15 right?

16 A. Yes.

17 Q. That's the -- what system is
18 this from?

19 A. There is from automated proof
20 of claim system.

21 Q. Is this the automatic mated
22 proof of claim system you were speaking

23 about before?

24 A. It is.

25 Q. Okay. And what happens the IRS

↑

15

1 monitors incoming notices of bankruptcy; is

2 that correct?

3 A. Yes.

4 Q. And so can we assume from this

5 document that we've marked as exhibit

6 number two that the Israel became aware

7 some time in May of 2022 about the filing

8 of the petition for Brickchurch for

9 bankruptcy?

10 A. That's correct.

11 Q. Allow does it I would imagine I

12 don't know there but imagine that you get a

13 lot of these at the IRS?

14 A. Yes.

15 Q. In fact I would bet Israel is

16 probably noticed on nearly every chapter 11

17 case right?

18 A. True.

19 Q. You have a SFM that monitors

20 the incoming mail regarding notices of

21 bankruptcy that lists IRS?

22 A. Yes.

23 Q. Is IRS interfaced with the
24 pacer system so they get automatic notices?

25 A. Electronic notices B and C mail

↑

16

1 yes.

2 Q. Is there a physical person who
3 actually reviews it how does it operate is
4 there some automation to it?

5 A. Is there the cases come in to
6 the IRS then err then entered into this
7 actually ace (NOTE! NOTE! THAT WAS AIS.)
8 System when the cases are loaded into the
9 ace system they're automatically assigned
10 to bankruptcy specialist.

11 Q. Is it assign today a particular
12 person?

13 A. It's run on what we call a KEG
14 each of us is assigned certain letters of
15 the alphabet if the bankruptcy debtor name
16 falls under a certain letter you're
17 assigned that's how we get the case.

18 Q. Your lucky day?

19 A. Yes.

20 Q. When it comes in are May of
21 2022 how does it cue to you how do you get
22 involved as a physical human being?

23 A. So I get a list of cases that
24 come through my e-mail when they're assign
25 today me they also run on different reports

17

1 when I get assigned the case I do my
2 initial case review.

3 Q. What is your initial case
4 review entail my initial case review let me
5 think when the case first comes in
6 bankruptcy first thing I do is look to see
7 automatic mated proof of claim system has
8 any flags?

9 Q. And is that the to make sure
10 whether or not a proof of claim needs to be
11 filed?

12 A. Correct.

13 Q. Then what did you learn from
14 that?

15 A. On my initial case review if
16 you see over under five twenty-seven do you

17 see it.

18 Q. What page are you on just tell
19 me the date?

20 A. Five twenty-seven where it
21 starts under Chapter 11 initial case review
22 these are the things we look for when we're
23 initially reviewing the case we look to see
24 if there's any stay violations that need to
25 be addressed if it was a prepackaged plan

↑

18

1 if it meets significant case criteria, if
2 TEGE needs to be involved, we look to see
3 if there's any secured periods we need to
4 adequate protection for then we do a
5 compliance review we basically look to see
6 what filing requirements the debtor has in
7 this case she only had eleven twenty filing
8 requirement or the debtor I'm sorry we also
9 look to see when their last filed tax
10 returns was if they have any delin
11 consequent tax returns if they have any
12 nine forty-one filing requirements if they
13 do if they make their federal tax deposits
14 the Elex they make the nature of the

15 business their business operation date, who
16 the owner is or the president, and then we
17 review their schedules on pacer (NOTE!
18 NOTE! THAT WAS election.) And we just PAK
19 a documentation of various schedules like
20 schedule A with their real property
21 schedule B for their personal property
22 schedule D for any of their secured
23 creditors schedule E and F to see if we're
24 listed as a creditor schedule G schedule H,
25 and then we look at SOFA we look to see if

19

1 they have any gross revenue, if there's any
2 open litigation any related bankruptcy
3 cases the interested parties if FLS's been
4 any notice of federal tax liens files when
5 the refile dates are if there were we look
6 to see if there's been any collection
7 activity BIR a revenue officer we look for
8 if there's any open examinations, if
9 there's any issues for TIGDA prior
10 bankruptcy if they have LLCs we look if
11 there's any trust fund recovery penalties
12 employee leasing there's any sub did I do

13 RIs for parent companies, when the three
14 forty-one hearing so that we can determine
15 whether or not we need to attend if there's
16 any issues we make sure we mail out the
17 letters to the debtor trustee L nine eight
18 two and L nine eight six, and then we make
19 a note of any deadlines when the plan's
20 going to be filed when the disclosure
21 statement is supposed to be filed.

22 Q. Can you tell me where you're
23 looking?

24 A. It's my initial case review it
25 just keeps continue SZ on.

↑

20

1 Q. I see five twenty-seven does it
2 go on to other dates as well?

3 A. Yes I guess it continued under
4 six one.

5 Q. And is it you plugging all this
6 information as to your queueing yes and no
7 and nones are you the ones queueing all
8 that information?

9 A. Yes, it's all me.

10 Q. These are questions the

11 questions are automatically generated you
12 putting the answers in?

13 A. We have a template for each
14 case that comes in this is the template
15 this is per our IRM things we need to
16 review on each new case we're assigned.

17 Q. And I can read that I
18 appreciate you going through that
19 comprehensive list when you're doing you're
20 looking what the debtor is you're trying to
21 whether or not open issues people or
22 entities that are relate today the entity?

23 A. Correct.

24 Q. In regard to that you did note
25 that there is a person who you identified

↑

21

1 in your search named Louise Blouin right?

2 A. Correct.

3 Q. You got that from the petition
4 right because she had signed the PE tilts
5 is that right?

6 A. Correct.

7 Q. So there's some indication of a
8 relationship between Louise BLUNZ and the

9 debtor at least she signed the petition on
10 its behalf?

11 A. That and what was listed on the
12 schedule SOFA.

13 Q. SOVZ?

14 A. Schedule of financial affairs.

15 Q. So then as part of your
16 research part of the policies ever the
17 intent eve U services to identify all these
18 entities and services associated with the
19 debtor correct?

20 A. Correct.

21 Q. When you saw Blouin's name in
22 there what did you do in order to determine
23 whether she had some tax liability?

24 A. So Louise Blouin did not have a
25 Social Security number it was listed on the

↑

22

1 petition I tried to access it under the
2 IDRS system which is our main frame where
3 we have all taxpayer's accounts I searched
4 her by name I didn't come up with a match.

5 Q. As it turns out she does have
6 an assigned tax identification number?

7 A. She does.

8 Q. Why is it that your system
9 wasn't able to locate her as having a tax
10 identification number?

11 A. There are various way toss
12 search our system and apparently the one
13 that I used was not accurate to find her as
14 a match.

15 Q. And the reason she has a tax
16 identification number you learned it was
17 the Israel that assigned her one?

18 A. Yes I learnedna later.

19 Q. So they could put her in the
20 system right correct?

21 Q. When the Israel had assigned a
22 tax identification number to Louise Blouin
23 why is it when you do a search of her name
24 that you're unable to locate her?

25 A. I can't answer why the certain

↑

23

1 command codes we use in our system pull
2 things up different there's different ways
3 to search a person at that time I searched
4 what we call name I put her name in it

5 didn't have a match.

6 Q. If I wanted to sit DOURN at
7 your desk and do your job and locate Louise
8 Blouin how do I do that?

9 A. Now as I was made aware name I
10 instead of NAIM S it pulled up all LOOUZ
11 Blouins in the system.

12 Q. Name I name S what are those?

13 A. Different way toss search.

14 Q. Was it a training issue with
15 you that made Israel you sitting in that
16 chair was it sort of training issue you
17 didn't know how to do that?

18 A. I wouldn't say that at the
19 time.

20 Q. So you did know how to do it?

21 A. I used what I had access to.

22 Q. Did you know how to search
23 using both the I and the S code?

24 A. No.

25 Q. So which one did you know how

↑

24

1 to use?

2 A. The name S.

3 Q. And what is the S mean?

4 A. I'm not sure.

5 Q. It's just a code right?

6 A. Yes.

7 Q. So are you on -- are you not
8 allowed to use the name I code?

9 A. No.

10 Q. You are allowed?

11 A. I am.

12 Q. So you didn't know you could do
13 it?

14 A. I did not.

15 Q. Okay. But you know that you
16 could do it?

17 A. I do.

18 Q. Did other people in your job
19 know that you could do the name I code
20 instead of name S code?

21 A. I can't answer for other
22 people.

23 Q. Are other people having the
24 same issue that you are is that they made a
25 search for a particular tax for a person

1 didn't come with the name?

2 A. I can't answer that GREERT let
3 me ask you this, you said when you did the
4 name I search that you got all the Louise
5 Blouins right.

6 A. Correct.

7 Q. And was there more than one
8 LUSZ BLUND that came up in your search?

9 A. There were.

10 Q. You've know learned way you're
11 doing searches isn't the way you're going
12 to get best results; is that correct?

13 A. You could say.

14 Q. Have you had a situation where
15 you missed a person before?

16 A. Not that I am aware of.

17 Q. Before you never had there
18 issue that we have right?

19 A. Correct.

20 Q. If you would have done the name
21 I search that's available to you that you
22 didn't know about and you had searched
23 LOOISZ BLIND usings that indicator you
24 would have found her right?

25 A. I would.

↑

26

1 Q. You would have found other
2 issues that the Israel had with her right?

3 A. I would.

4 Q. As a result of that back in May
5 early JOOUN when you were doing
6 investigation if you had done the search
7 right you would have been in a position to
8 file proof of claim; is that correct?

9 A. That's correct.

10 Q. As a result of doing your
11 search correctly or the way you should have
12 done it using the I search you would have
13 filed instead of December 1st 2022 you
14 would have filed your proof of claim much
15 earlier is that right?

16 A. That is true.

17 Q. Is there a periodic retraining
18 what is your position by the way?

19 A. Bankruptcy specialists.

20 Q. With bankruptcy specialists
21 it's important to know this information
22 correct?

23 A. Correct.

24 Q. And by the way are you an
25 attorney or anything like that?

↑

27

1 A. No.

2 Q. CPA?

3 A. No.

4 Q. Accountant?

5 A. No.

6 Q. What is your training you have
7 for bankruptcy specialist?

8 A. I've been with Israel working
9 in this position for thirteen years.

10 Q. And did you have to some sort
11 of educational background to be a
12 bankruptcy specialist NORNL?

13 Q. What is your educational
14 background?

15 A. I am a high school graduate.

16 Q. And then is there a training
17 program that the IRS puts you through?

18 A. There is.

19 Q. During that training program do
20 you know one way or the other whether they
21 tell you how to search with the I search?

22 A. They may have.

23 Q. You may have missed?

24 A. I just said I started thirteen

25 years ago.

↑

28

1 Q. From the thirteen years ago
2 through the present do they have periodic
3 retraining on the systems?

4 A. On the systems no.

5 Q. So whatever you learned or
6 didn't learn on day one when you were
7 originally TRANGD right you were trained?

8 A. Correct.

9 Q. If you missed that part you
10 were going to miss it for the next thirteen
11 years?

12 A. You pick things up along the
13 way.

14 Q. But it took you thirteen year
15 to pick up the way to do a proper search
16 correct?

17 A. Apparently.

18 Q. And you were also were you able
19 to you saw that there was an address some

20 where because you listed that LOOUNZ BLUNZ

21 lives in SWIT certificate land?

22 A. Correct.

23 Q. How did you get that

24 information?

25 A. It's on the schedules in pacer.

↑

29

1 Q. And you didn't have any address

2 to your knowledge even ^ when you did the

3 research you didn't have address on GIN

4 lane in Southampton?

5 A. Can you be more specific GRIK

6 did you have an address in your system

7 Bets the address in will you tell us land.

8 A. Are you asking for Brickchurch

9 for Louise Blouin.

10 Q. For LOOURZ BLUND?

11 A. No.

12 Q. And then, you told me go ahead?

13 A. I'm sorry let me RI FRAN, I did

14 ACCURINT search on acure RINT it does say

15 she lives she has that address associated

16 with aher name.

17 Q. Address is associated with her

18 name?

19 A. Yes GRU never confirmed one way
20 or the other if she lives there.

21 A. No.

22 Q. You didn't send investigator
23 revenue officer out to house?

24 A. I had no reason to.

25 Q. So, the bankruptcy goes on and

↑

30

1 you're just monitoring the bankruptcy, you
2 know, get notifications of your cases in
3 regard to new filings correct?

4 A. Correct.

5 Q. And so you're get willing
6 documents and your system works to notify
7 you of new filings correct?

8 A. Correct.

9 MR. MURPHY: Can I clarify you
10 in these question you personally or
11 Anne Sylvia or at large.

12 MR. MESSINGER: When I'm asking
13 her I'm asking the Israel because you
14 designated authorized to testify.

15 MR. MURPHY: I want to be of

16 clear if Anne Sylvia did things or
17 anybody did things at the IRS that's
18 what imseeking clarification on.

19 MR. MESSINGER: I don't see the
20 difference you is the Israel because
21 she's binding here for the IRS.

22 Q. You're getting documents that
23 are uploaded into the system from pacer?

24 A. We get electronic notices when
25 new things come to the docket.

↑

31

1 Q. When you say we you mean?

2 A. The Israel.

3 Q. Okay. And you are testifying
4 on behalf of the IRS correct?

5 A. I am.

6 Q. When you say me or when I say
7 you you understand you're testifying on
8 behalf of IRS?

9 A. Correct.

10 Q. Do you get the pacer
11 notifications like I do in an e-mail or do
12 you get them in some sort of better system
13 that I VRJ no we get them in an e-mail just

14 like you do?

15 Q. In regard to does it your name
16 is it sent to you or is there a general
17 mailbox it goes?

18 A. It goes to a general mailbox
19 and somebody is assigned to go through that
20 mailbox and forwarded it to me.

21 Q. Is there multiple people that
22 monitor the mail that's coming from the
23 pace certificate system?

24 A. I don't know.

25 Q. All you know that it come toss

↑

32

1 you if it's assign today you?

2 A. Correct.

3 Q. Do they download the document
4 or do you have to access the document to
5 download?

6 A. I have to access it.

7 Q. And then you safe it where?

8 A. I don't safe it because it's on
9 pacer.

10 Q. Because I bet you unless me I
11 have to pay per page IRS probably get for

12 free?

13 A. No we pay for person.

14 Q. You open it any time you need
15 it you don't safe it any where?

16 A. Document I need to safe
17 documents need to access EVEN I safe where
18 do you safe them ORNL PDF file on my desk
19 top.

20 Q. I want to talk about that a
21 little bit the IRS don't have a central
22 document but each specialist like yourself
23 keeps it on their own hard drive?

24 A. I can't say one hundred percent
25 because I'm not sure I know each specialist

↑

33

1 is required to safe copies of their Chapter
2 11 files.

3 Q. Where?

4 A. On their desk top to clarify a
5 lot of us TEL work we don't have a physical
6 desk in the office we don't safe paper
7 files.

8 Q. Paper means that I can touch?

9 A. Correct GRU use electronic

10 filed.

11 A. Right.

12 Q. Some of the IRS documents that
13 you safe are on your own personal computer?

14 A. No.

15 Q. So when you TEL computer you
16 LOG into a system at the IRS it's work
17 issued IRS issued laptop?

18 Q. You have IRS laptop?

19 A. Correct.

20 Q. That me and two hundred people
21 live in this country pay for right you're
22 issued the laptop to take home with you
23 right?

24 A. Correct.

25 Q. In regard to that laptop you

↑

34

1 have a hard drive on the laptop where you
2 place your working files in?

3 A. I guess.

4 Q. And can anybody from the Israel
5 access your FILS on your personal laptop?

6 A. No.

7 Q. Conversely can you access any

8 information from your laptop to the IRS?

9 A. I'm sorry I don't understand
10 the question.

11 Q. Can you access information on
12 the RIRS system from your laptop at home?

13 A. The IRS laptop has everything
14 that I need do my job regardless of where I
15 am at.

16 Q. You don't have to log into the
17 IRS it's our automatically on the computer
18 there is a log in so I do log into it it
19 bring it is me right it's only for the IRS
20 it's not a personal laptop?

21 Q. In regard to the information
22 you download onto your personal laptop do
23 you have to log in to the IRS's system in
24 order to access that information?

25 A. If I am working imalready in

↑

35

1 the IRS's system because that's why I am on
2 their laptop.

3 Q. But I'm trying to figure out
4 the where the documents are saved do you
5 have as soon as you open it you're on their

6 system?

7 A. Correct.

8 Q. You're connected automatically?

9 A. After I log in yes.

10 Q. Then in regard to the
11 information that's's stored locally on that
12 laptop is it only for you to access?

13 A. It is.

14 Q. Okay. Can you if you're not
15 logged into the IRS's system can you still
16 access those local files?

17 A. No.

18 Q. So as we're going through and I
19 want to bring draw your attention to the
20 entry that is on July 18th 2022, you have
21 it?

22 A. Yes.

23 Q. And at this point you still
24 don't have any information regarding the
25 tax potential tax liability personal to

↑

36

1 LOOURZ BLUNZ correct for the penalties

2 correct?

3 A. You're correct.

4 Q. And you're continuing to
5 monitor the pacer right?

6 A. Correct.

7 Q. And then it says it says note
8 on eleven fourteen no liens have been filed
9 under EI and zero four and has the rest of
10 the number there do you see that ?

11 A. Yes.

12 Q. Who is TIN number is is that,
13 BRISHGZ?

14 Q. What do you mean by no lien
15 versus been filed what does that mean?

16 A. I believe at that point is when
17 I found that when I was doing a review of
18 this debtor's account I always look to see
19 on pacer if there's any up dates at that
20 point I found there was a motion to avoid
21 liens that were filed.

22 Q. So in other words there were
23 liens filed by the IRS you became aware of
24 that?

25 A. Correct.

↑

1 Q. They filed those liens against

2 Brickchurch OEFRNed property?

3 A. Correct.

4 Q. Brickchurch is single purpose
5 entity?

6 A. Yes.

7 Q. It owns property located at
8 three six six GYN lane?

9 A. Right.

10 Q. At the time at least November
11 14th 2022, at that time you had been no
12 liens filed against the property correct?

13 A. Correct.

14 Q. Do you know that whether there
15 were liens filed by the IRS ever?

16 A. Can you ask the question again.

17 Q. Eventually IRS filed a lien?

18 A. Correct.

19 Q. Did you know they were doing
20 that ?

21 A. DI not.

22 Q. And how did you learn that the
23 IRS had filed liens?

24 A. Because when I was doing follow
25 up to this review I noticed there was a

1 motion to avoid IRS lien.

2 Q. Do you remember the substance
3 of that motion?

4 A. I remember vaguely that liens
5 were filed in August I believe of 2022 that
6 were in violation of the automatic stay.

7 Q. You knew about this case the
8 IRS knew about this case in May of 2022
9 correct?

10 A. Right.

11 Q. You made an investigation
12 correct?

13 A. I did.

14 Q. And did you as you said you
15 didn't pick up LOOUZ BLUNTD because you had
16 done the search that didn't reveal her name
17 right?

18 A. In another instance leer I
19 didn't have to really review LOOURZ that
20 much she didn't have nine forty-one filing
21 requirements under Brickchurch that's why
22 it wasn't I didn't look as hard to find her
23 at that time because there was no reason in
24 my mind to have to look for her.

25 Q. You didn't look hard right?

39

1 A. I did my job.

2 Q. Did you?

3 A. I did.

4 Q. You did the job the way you
5 were trained to do it you did a quick
6 search?

7 A. Objection I verified it
8 inaccurate if she had a Social Security it
9 should have showed up in the acue grant
10 you're not required to have a SWETS land a
11 Canadian citizen person residing in
12 Switzerland if they're not earning in the
13 United States they're not required to I
14 have a tax identification number right.

15 A. That's right.

16 Q. I know many people in the world
17 come to the United States and they're not
18 talks pairers?

19 A. Right.

20 Q. If you had done a proper search
21 that would have revealed lose BLUND that
22 revealed she had some issues with the IRS

23 regarding the nonpayment of penalties you
24 would have been able to cord in any degree
25 with other departments in the IRS that they

40

1 shouldn't be filed a federal tax lien
2 against the property of Brickchurch right?

3 A. That's true.

4 Q. Your failure to search the
5 correct way for LOOUZ BLUND also resulted
6 in the IRS improperly filing the federal
7 tax LOOERNS against the Brickchurch
8 property correct?

9 A. Again I wouldn't say that it
10 was a fail tour to search because again in
11 my defense she didn't have any nine
12 forty-one filing requirement under BRISHGZ
13 so it's not a requirement of me to have to
14 dig that deep.

15 Q. And if you -- now in your
16 day-to-day if you had a same situation
17 right you would?

18 A. I would go all-out.

19 Q. You would do the I search?

20 A. I definitely would.

21 Q. There's a bit of egg on your
22 face right your failure to search caused
23 all the things that happened afterwards
24 right?

25 A. I'm not saying anything to

↑

41

1 that.

2 Q. You have to say it there's an
3 are question?

4 MR. MURPHY: Calls for police
5 station go ahead.

6 A. I don't agree.

7 Q. Why don't you agree?

8 A. I wasn't required to do that
9 deep of a search for somebody who didn't
10 have open nine forty-one filing
11 requirements .

12 Q. What do you mean by deep search
13 to me I'm having trouble coordinating in my
14 head a search versus a deep search what do
15 you mean by that ?

16 A. Brickchurch only has eleven
17 twenty filing requirements they have no
18 nine forty-one filing requirements the

19 reason I would looking at Louise Blouin and
20 trying to see if she had any federal tax
21 deposits would be related to the debtor
22 Brickchurch since she didn't have open nine
23 forty-one filing requirements under
24 Brickchurch it's not required for me to
25 have to really dive in to the owner.

↑

42

1 Q. But the dive in you're talking
2 about is doing the I search right?

3 A. It's really not required.

4 Q. The dive in that you're talking
5 about is doing the I search correct?

6 A. The dive in I'm talking about
7 is if there would be some type of a red
8 flag that would make thing there's some
9 kind of fraud something going on in this
10 case that would make me do a deep dive.

11 Q. Okay how long take tow do an I
12 search?

13 A. It depends what I'm searching.

14 Q. Let's say you're searching
15 LOOUZ MRUNZ and you cue her name whatever
16 this I search say I take it you click the

17 enter button how long does that take?

18 A. Two minutes .

19 Q. Maybe not even two minutes if
20 you had done your deep dive is over right?

21 A. That's not really a deep dive.

22 Q. It would have revealed
23 information that would have happened in
24 making the link between Louise Blouin and
25 Brickchurch right?

↑

43

1 A. It would.

2 Q. I do have the petition here?

3 (Plaintiff's Exhibit #,
4 description, was marked for
5 identification as of this date.)

6 Q. Do you have it?

7 A. Yes.

8 Q. Do you want to review it I'm
9 just going to ask you general question
10 where do you see on this that Louise BLUNSZ
11 the owner of BRISHGZ enterprises Inc.?

12 A. It's on.

13 Q. Pages are at the top no they're
14 not they're not even numbered.

15 A. It's on the schedule of
16 financial affairs.

17 Q. Just hold it up to me. Which
18 page?

19 A. Page seven.

20 Q. Where does it say she's the
21 owner?

22 A. Owner of a hundred percent of
23 shares of the stock in the debtor's
24 corporation.

25 Q. Up top?

↑

44

1 A. Yes.

2 Q. What company is that?

3 A. Brickchurch.

4 Q. Brickchurch is that the same as
5 the debtor?

6 A. Brickchurch is the debtor.

7 Q. Are you talking where it says
8 Brickchurch Enterprises BVI limited?

9 A. She's also listed on page six
10 as the sole director.

11 Q. Let's go back to my question it
12 says up top it says question number

13 twenty-eight it says list the debtor's
14 officers directors managing members and
15 there's a place for the name there's a
16 place for the address TLES's a place for
17 position and where it says Louise blunt it
18 says sole director?

19 A. Correct.

20 Q. Next page it actually tells you
21 who the owner is doesn't it it identifies a
22 different corporation as the owner correct?

23 A. Where.

24 Q. It says Brickchurch enterprises
25 BVI limited?

↑

45

1 A. Correct.

2 Q. When you found that lose
3 BLUNTSZ was the owner of the company you
4 missed that part you see it now she's not
5 the owner of the company correct?

6 A. She was the one that listed her
7 name on the petition.

8 Q. As the director right?

9 A. Okay.

10 Q. Now, does director mean owner

11 does the director mean owner?

12 A. Not necessarily.

13 Q. BR you trained in that regard
14 as part ever your training in regard to
15 what it MEEP toss a director what it means
16 to be officer that type of stuff?

17 A. Yes.

18 Q. Did you understand that another
19 company can actually own shares in a
20 company?

21 A. I do.

22 Q. When you testified about your
23 finding LOOUZ BLUNDZ was the owner of the
24 debtor that was wrong too right?

25 A. I don't believe so.

↑

46

1 Q. What is the basis of that
2 belief?

3 A. Because upon my research
4 looking over these schedules everything
5 comes back to her name.

6 Q. Let's talk a little bit about
7 that and I am going to you do know on the
8 schedules it does identify the people with

9 ownership people or he wants TIS with
10 ownership interest in the company right?

11 A. Yes.

12 Q. And this one does it as well
13 right on though fame says at the top it
14 says list of equity security holder right
15 here it says that okay?

16 A. Uh-huh.

17 Q.

18 A. On schedule H you also have
19 co-debtors and she's listed as a co-debtor.

20 Q. Okay and?

21 A. She has the mortgage on the
22 property.

23 Q. Blah do you MEEP by that before
24 you get yourself into trouble let's focus
25 on my question that's not true either?

↑

47

1 MR. MURPHY: Are you testifying
2 today Bret or you're going to ask
3 questions about the facts.

4 MR. MESSINGER: We are going to
5 talk about the facts.

6 Q. Do you have the page we were

7 talking about that says list of equity

8 holders it's eighth PAM from the back?

9 A. Okay.

10 Q. It identifies actually the

11 owner of the debit there doesn't it?

12 A. Okay.

13 Q. Not okay does it or doesn't it?

14 A. Yes.

15 Q. Did you notice that when you

16 were reviewing this case when you first got

17 it?

18 A. Yes.

19 Q. And but you testified that you

20 thought LUSZ BLUNTDZ was the owner of the

21 company but now you see that she's not

22 correct?

23 A. She's the one that signing.

24 Q. As the owner?

25 A. She signed the declaration on

↑

48

1 the bottom here.

2 Q. As the owner?

3 Q. You can't point stuff it's just

4 like testifying what was the question did

5 she sign as the owner?

6 A. No.

7 Q. You see now looking at this
8 petition that whatever KAUP conclusion you
9 had about Louise Blouin being the owner of
10 the debtor is not correct is that right?

11 A. I don't agree with that.

12 Q. Where on this caused you to
13 conclude that Louise Blouin was the owner?

14 A. Can I have a moment just to
15 look through my notes.

16 Q. Okay what did you find?

17 A. In all my research it was
18 apparent to me that Louise BLUNTDZ was the
19 owner of Brickchurch that's what I'm
20 saying.

21 Q. No I get that. And I
22 understand what you're saying right you
23 need to know do that it's distracting
24 that's why?

25 Q. I understand I understand

↑

1 during your research you found that or

2 believed that my question is different my

3 question is what caused to find that before
4 you had testified before that it was
5 somewhere in the petition?

6 A. Based on what I saw.

7 Q. In regard to when you review
8 cases for the ISZ do you because it's
9 apparent you did this here did you just
10 look to see who the signer was of the
11 bankruptcy petition?

12 A. No that's the first place I
13 look.

14 Q. Why do you look there?

15 A. Because I want to know who is
16 signing the petition I want to know what
17 their relationship is to the bankrupt
18 significance it maybe surprising to you now
19 but now you know that loose BLUND is not
20 the owner of the company that the debtor
21 right.

22 MR. MURPHY: Are you putting
23 that as your testimony I said isn't
24 that right which making it question
25 do you need me to rephrase that.

↑

1 A. I don't agree I'll tell you why
2 I don't agree later on when I found motion
3 to avoid the LOOENS and I had to contact
4 Spencer to find out why he filed the lien
5 it is was brought to my attention Louise
6 Blouin is in fact the owner of Brickchurch.

7 Q. So she's the owner?

8 A. As far as I know.

9 Q. And how did you conclude that?

10 A. Based on my initial case review
11 and with confirmation with Spencer's view.

12 Q. So Spencer Mr. GOUTS told you
13 Louise BLURNZ is the owner of the debtor?

14 A. I believe so.

15 Q. We'll get to him on that let's
16 get to the proof of claim?

17 (Whereupon, a short break was
18 taken at this time.)

19 (Plaintiff's Exhibit #,
20 description, was marked for
21 identification as of this date.)

22 Q. I want to show you what we
23 marked as your deposition exhibit number
24 four do you have that?

25 A. Yes, I do.

↑

51

1 Q. And proof of claim you filed
2 right?

3 A. Correct.

4 Q. And the proof of claim was
5 filed December one 2022; is that correct?

6 A. That's correct.

7 Q. It's signed by you is that
8 right?

9 A. Yes, it is.

10 Q. And it has you as the contact
11 on the first page correct?

12 A. Yes, it does.

13 Q. If I dial that phone number you
14 listed there the pen value yea number would
15 you pick that phone up or some other FOEP?

16 A. No that's my number.

17 Q. So, what was the bar date for
18 filing proof of claims?

19 A. I don't know if I have that
20 information in front of me.

21 Q. Did you have it available tow
22 when you filed this proof of claim?

23 A. I did.

24 Q. Was it timely or untimely?

25 A. It was the after the bar date.

↑

52

1 Q. Had you ever filed a proof of
2 claim after the bar date before?

3 A. Not that I am aware of.

4 Q. Did you ask the court for
5 permission to file it after the bar date?

6 A. I did not.

7 Q. Did anybody in the world do?

8 A. It I'm not sure.

9 Q. You would have seen a filing to
10 that effect correct?

11 A. I guess I would have.

12 Q. And did you bring it to the
13 attention of anybody that you are preparing
14 a file a proof of claim after the bar date?

15 A. Yes this was discussed with IRS
16 counsel.

17 Q. Which counsel did you discuss
18 that with?

19 A. The name of the person.

20 Q. Name of the person?

21 A. Theory ree saMAK quickly.

22 Q. Who so theory samake KWEE knee?

23 A. She's IRS counsel.

24 Q. Based on advice she provided to

25 you did you find it okay to file a late

↑

53

1 proof of claim?

2 A. Yes.

3 Q. Did you understand when I filed

4 it would be subject to objection?

5 Q. But you filed it any way?

6 A. Correct.

7 Q. Do you know what a bar date

8 means?

9 A. I do.

10 Q. Does that mean name of the case

11 you're barred profiling a proof of claim by

12 a certain date?

13 A. I do understand that.

14 Q. But you filed it anyway?

15 A. I did.

16 Q. No one filed a motion for leave

17 to file the late proof of claim?

18 A. No.

19 Q. Was this proof of claim did you

20 anticipate that an objection would be made
21 to it?

22 A. I figured that.

23 Q. And did you call counsel on the
24 other side to see whether they would
25 consent to file late proof of claim?

↑

54

1 A. At this point this case was
2 actually referred to the Department of
3 Justice and it was being handled by the
4 defendant of justice and IRS counsel and
5 myself so working together we filed this
6 claim.

7 Q. Okay and Ms. MAK queenee?

8 A. Correct.

9 Q. She's an attorney for the IRS?

10 Q. She works for the IRS?

11 A. Correct.

12 Q. What did Mrs. MAKZ tell you to
13 do?

14 MR. MURPHY: Objection it calls
15 for advice of attorney.

16 MR. MESSINGER: Does it there
17 was no litigation at the time this

18 she happens to be an attorney so go
19 ahead and answer the question.

20 A. I'm sorry can you repeat the
21 question.

22 Q. What did Ms. MAKZ tell you in
23 regard to the filing of the proof of claim?

24 MR. MURPHY: I'm going to
25 object and instruct you instruct the

55

1 witness not to answer based on
2 attorney/client privilege.

3 Q. How does it work within the IRS
4 did you go directly to the attorney to seek
5 advice or is it like how does it work you
6 got in touch with the attorney?

7 A. When it was brought to my
8 attention that there were liens filed a
9 nominee lien filed against the debtor I had
10 to bring this up to my manager because of
11 the situation that was happening on the
12 revenue officer side we had to refer this
13 case to the Department of Justice and our
14 IRS counsel.

15 Q. At the point all this is

16 happening you became aware did I think I
17 filed the objection to the lien to avoid
18 the lien right?

19 A. Correct.

20 Q. Was the proof of claim filed in
21 response to that objection?

22 A. No.

23 Q. You found that you missed it
24 right you missed making the link and
25 therefore you said let's quickly file this

↑

56

1 thing right?

2 A. No.

3 Q. Why did you wait till December
4 1st?

5 A. After this case was referred to
6 counsel I was advised by IRS counsel.

7 Q. Don't tell me what you were
8 advised tell me what you did to the
9 response to the advice?

10 MR. MESSINGER: Is that good

11 Mr. Murphy.

12 MR. MURPHY: I understand I

13 appreciate that I want to be clear

14 witness is hear testimonial
15 authorization from the IRS under the
16 terms of that authorization Ms.
17 Sylvia I need no tell you you're not
18 supposed to divulge attorney CLIEVEN
19 communication GL to the extent you
20 don't know when you start a sentence
21 what they advised you but you're
22 allowed to say what you did response
23 to advice you can say you received
24 advice then I did next step you can't
25 tell me what the advice was.

↑

57

1 A. Okay.
2 Q. So by the way I'm the type of
3 attorney I don't want privileged
4 communication to come out I think it's SAKD
5 just finish your answer with that
6 instruction?
7 A. Can you ask the question.
8 Q. You were beginning to say you
9 had received advice Ms. MAKZ right?
10 A. Correct.
11 Q. But I want to know what you did

12 after you received that advice based upon
13 that advice what did you do?

14 A. I prepared the proof of claim
15 for the trust fund liability that LOOOURSZ
16 BLUNTS had and I filed it with the court.

17 Q. And so this are is the proof of
18 claim we've marked as your deposition
19 exhibit number four?

20 A. Right.

21 Q. It says how much is the claim
22 it says five million seventy HOINL -- five
23 seven three five five eight two fifty-six
24 you see that it's on page two?

25 A. Are you talking to me.

↑

58

1 (Whereupon, an off-the-record
2 discussion was held.)

3 Q. You see that on page two?

4 A. I do.

5 Q. That's the amount of the claim
6 that was filed right?

7 A. That's right.

8 Q. So in regard to this proof of
9 claim is this auto generated?

10 A. It is.

11 Q. How do you cue the system to
12 tell it to generate it?

13 A. I don't cue the system.

14 Q. How is the system cued to
15 generate the proof of claim?

16 A. It runs through the automatic
17 proof of claim system.

18 Q. How does it know to run it
19 through?

20 A. We put LUSZ BLUND's ITIN number
21 in the system it runs through to check to
22 see she has any liability under that TINZ
23 number when it finds the TLIEBLT bring it
24 is over onto the proof of claim.

25 Q. Do you file it?

↑

59

1 A. Yes.

2 Q. DPO you log onto the pacer
3 system like everybody else in the world do
4 you actually file it or have some one do it
5 for you?

6 A. Normally we would do it through
7 automatic mated proof of claim system we

8 push a button it goes through on this
9 particular proof of claim it had to be
10 filed through paceary.

11 Q. Yes?

12 A. We had to put certain language
13 on the claim that we don't have an awe
14 mated symptom.

15 Q. What specific language do you
16 need to put proof of claim?

17 A. The specific language is on
18 page four and it says included are claims
19 for civil penalties under twenty-six USC
20 section 6672 for which the debtor is liable
21 as the nominee and alter ego of Louise T
22 Blouin, the last four the ITIN number and
23 then civil penalty is for TFRP under
24 IRC6672 entitled to priority 507 paren A
25 paren A paren C.

↑

60

1 Q. And then the unsecured priority
2 claims that are below that are generated by
3 the computer right itemizes them?

4 A. Correct.

5 Q. Are there any other document

6 that are submitted with this proof of claim
7 besides what I see here?

8 A. No.

9 Q. Just these five pages right?

10 A. Correct.

11 Q. In regard to signing this do
12 you understand when you signed this that
13 you signed this under personalities of
14 perjury and everything you're saying is
15 true to the best of your knowledge
16 information and believe?

17 A. Yes.

18 Q. You don't know normally put
19 that language that you read to me on page
20 four of Exhibit 4 you had to manually enter
21 that correct?

22 A. Correct.

23 Q. And therefore you're taking an
24 affirmative duty to alter the form in its
25 normal filing way to add certain

↑

61

1 information to confirm the claim ask true
2 correct check check?

3 A. Yes.

4 Q. Tell me investigation did you
5 prior to filing this proof of claim where
6 you determining debtor is liability as
7 nominee and/or alter ego of lose blunt?

8 MR. MURPHY: By you mean Anne
9 Sylvia or IRS.

10 Q. I'm saying before you filed and
11 signed this document what investigation did
12 you do prior to affixing your signature to
13 this document?

14 A. I discussed this with the
15 revenue officer SPENZ counts who did assess
16 for TRFP for BLUSZ BLUPT my job to file
17 proof of claim is make sure the amounts
18 that come up under her personal TINZ number
19 match what we're putting on the proof of
20 claim so as long as it shows that these are
21 her liabilities then we must file the proof
22 of claim.

23 Q. Okay. That's the typical thing
24 right you do that's all you do normally
25 when you get proof of claim that gets

↑

1 submitted in fact you told me some of the

2 proof of claims are filed automatically it
3 has your name on it right they're ones you
4 never reviewed right?

5 A. That's not true.

6 Q. When you say things get filed
7 automatically by whatever system you use,
8 you review those before they're accused for
9 filing?

10 A. All proof of claims are
11 reviewed.

12 Q. And this one wasn't in the
13 normal form because you added language to
14 it correct?

15 A. Correct.

16 Q. And with when you added
17 language to it you before you did that you
18 spoke with Mr. KUTSZ; is that correct?

19 A. No.

20 Q. No?

21 A. This was discussed between
22 counsel.

23 Q. I don't understand what you're
24 saying I am asking you what you did in
25 regard to determining whether or not Ms.

1 BLUNSZ is the nominee for the debtor prior
2 to affixing your signature and filing this
3 proof of claim?

4 A. That was discussed with revenue
5 officer Spencer KUNTSZ.

6 Q. Did you discuss it with revenue
7 officer PINSZ KOUT?

8 A. Yes.

9 Q. Back to my original question
10 what did he tell you that made you
11 comfortable affixing your signature to the
12 proof of claim before you filed it?

13 A. Es's the one that researched
14 Ms. BLUSZ and found out she was the nominee
15 or alter eggo of Brickchurch and she has
16 this open TFRP liability.

17 Q. Did you ask him how he
18 determined Ms. BLUSZ was the alter eggo of
19 Brickchurch?

20 A. He had several research on this
21 case.

22 Q. I am asking when you asking
23 what did he tell you you spoke with him
24 right?

25 A. I did.

64

1 Q. How long was the conversation?

2 A. It was a while ago I don't
3 remember.

4 Q. Was it three hour conversation
5 or more like three minute conversation?

6 A. It was prettience tensive
7 conversation.

8 Q. Three hours?

9 A. I wouldn't say three hours.

10 Q. What⁰ would you say?

11 A. I don't remember maybe an hour.

12 Q. And he walked you through
13 during that hour how he came to determine
14 Ms. BLUSZ was alter eggo of the debtor?

15 A. He did.

16 Q. Did he show you documents upon
17 which he relied upon?

18 A. No.

19 Q. Was one ever the things he came
20 to include back to you that Ms. BLUNSZ was
21 the owner of the debtor?

22 A. Yes.

23 Q. But we know that to not be true
24 right?

25 MR. MURPHY: Objection.

↑

65

1 Q. Did he show you anything that
2 made you believe to your satisfaction that
3 Ms. BLUSZ was the owner of the debtor?

4 A. His whole investigation is in
5 the system called ICS all his notes for the
6 last couple of years on her are all
7 documented in that system in reading that
8 document I had no reason to believe she
9 wasn't the owner.

10 Q. Did you see a memo in the
11 system written by Mr. KOURSZ that had
12 exhibits attached and all that and his
13 investigation did you review that ?

14 A. No.

15 Q. Do you have access to the same
16 system that Mr. KUTSZ does?

17 A. I do.

18 Q. When you RIEFD that system did
19 you review any material that was in the
20 system that you made you believe

21 independent of Mr. KURSZ that made you Ms.
22 BLURNZ was the nominee?

23 A. I had no reason not to believe
24 that she wasn't.

25 Q. And did you review any

↑

66

1 documents that was provided to you by
2 Mr. KOUTSZ prior to filing proof of claim?

3 A. The only documents that I
4 reviewed were the L00EPs that he had filed.

5 Q. So in regard to the documents
6 you reviewed you saw there was federal tax
7 L00EPs that were filed for the trust fund
8 penalties correct?

9 A. Correct.

10 Q. When you reviewed those did you
11 look at any information from Mr. KOURDZ
12 that made you believe that Ms. BLUNDZ was
13 the nominee for the debtor?

14 A. I have no reason to doubt
15 Spencer's ability to researches's been with
16 the company for with IRS for years .

17 Q. So what you're saying is that
18 no, I didn't do any research but I relied

19 upon the research that BLCHLT GOULTS did?

20 A. Yes.

21 Q. In regards to the numbers on
22 page four and continuing to page five that
23 are awe to generated correct they're awe to
24 generated?

25 A. Correct.

↑

67

1 Q. DP you compare those numbers
2 with any document toss determine whether
3 they were correct?

4 A. I reviewed the numbers against
5 our main data on IDRS which shows all the
6 taxpayer's liabilities to make sure they
7 populated on the proof of claim correctly.

8 Q. Okay.

9 Q. Did you do any independent
10 research on Ms. BLUSZ?

11 A. No.

12 Q. So the sole information that
13 you had is Mr. GOEL did it good job
14 researching it you rely upon it?

15 A. I did rely upon his research.

16 Q. You also relied upon the

17 records that were kept within the IRS's
18 system?

19 A. Correct.

20 Q. Would you characterize you as
21 being more of a clerical person an
22 investigator how do you characterize
23 yourself?

24 A. As a bankruptcy specialist.

25 Q. What other things do do you as

↑

68

1 a bankruptcy specialist?

2 A. I review these cases to, you
3 know, protect the government's interests on
4 any liabilities that are owed through the
5 bankruptcy. I attend three forty-one
6 meetings, I.

7 Q. Did you attend the one in here?

8 A. No I had no reason to she had
9 no liability.

10 Q. You didn't know of a reason to?

11 A. Exactly.

12 Q. Because in retrospect you would
13 have?

14 A. She had no liability.

15 Q. No?

16 MR. MURPHY: Can you not cut her
17 off Bret let me finish the answer.

18 MR. MESSINGER: Go ahead.

19 A. I had no reason to attend three
20 forty-one hearing when I first looked at
21 this case it's for Brickchurch they only
22 have eleven twenty filing requirements.

23 Q. Let's back up let's say you did
24 that I search and you found LOOOURSZ BLUND
25 would you have attended the three forty-one

↑

69

1 here?

2 A. I would.

3 Q. That's the point I was making?

4 A. Okay.

5 Q. If you attended the three
6 forty-one hearing having the information
7 about Ms. BLURZ you would have questioned
8 Ms. BLURNZ regarding that?

9 A. Of course that.

10 Q. Your experience in questioning
11 people at three forty-one hearing?

12 A. To an extent.

13 Q. You've done it?

14 A. I have.

15 Q. To the extent you've done it
16 you have experience correct?

17 A. Correct.

18 Q. Okay.

19 MR. MESSINGER: I think done
20 with you.

21 MR. ALLERDING: I have some
22 questions.

23 MR. MURPHY: Before John goes I
24 want to object to him Mr. Alae began
25 asking questions he represents

↑

70

1 another creditor in the bankruptcy
2 that's not party in contested matter
3 being the object shin to the IRS's
4 proof of claim that was filed by the
5 debtor Brickchurch the only party
6 toss that conterritoried matter are
7 Brickchurch and IRS non-party do not
8 have a right to ask KWERS as
9 depositions I am stating this for the
10 record I have a blanket objection to

11 what you're about to do I am happy to
12 sit here I object to to the questions
13 in the interest moving things along
14 I'm not going not refuse answer of
15 your I want will ask you to keep it
16 brief and instruct interesting her
17 not to respond tow that's on the
18 record let's procedure.

19 MR. ALLERDING: If you try to
20 cut me off I guess we'll have to
21 objection MIEM fame sa-John I
22 represent name name LP the largest in
23 the bankruptcy case and dip lender I
24 want to go back to things Inc. you
25 said first off you have bankruptcy

71

1 expertise you are ea bankruptcy
2 specialist.

3 A. Correct.

4 Q. And I thought I heard you say
5 Brickchurch has no liability to the IRS; is
6 that correct?

7 A. In my initial case review
8 Brickchurch had no liability.

9 Q. And does Brickchurch do you
10 understand as you hear today Brickchurch
11 have liability to the IRS?

12 A. Brickchurch does have liability
13 to the IRS.

14 Q. What's that liability based on?

15 A. It's a penalty a penalty under
16 IRC sixty thirty-eight A.

17 Q. Is it what's been listed on
18 exhibit number four?

19 A. Yes, it's the fifty thousand
20 dollar personality.

21 Q. Other than the fifty thousand
22 dollar personality does Brickchurch have
23 any liability to the IRS?

24 A. Not as of today.

25 Q. Who filed the IRS tax lien?

↑

72

1 A. SPENS GOEL.

2 Q. And he didn't communicate with
3 you before filing that?

4 A. He did not.

5 Q. And you said that you believed
6 or you believe as you sit here today Ms.

7 BLUNZ is the owner of BRIKZ do I recall
8 that correct?

9 A. Yes.

10 Q. Can you tell us all the of the
11 basis for that understanding?

12 A. We discussed this already.

13 Q. I heard that you said Spencer
14 told you she was the owner I have that
15 right?

16 A. It came up yes.

17 Q. Did Mr. GOEL tell you that Ms.
18 BLUNZ was the owner of Brickchurch
19 enterprises, Inc. the debtor?

20 A. He did.

21 Q. Do you have any other reason to
22 believe BLS BLUNZ is the owner of
23 Brickchurch enterprises, Inc. other than
24 your conversation with Mr. GOEL?

25 A. It was my understanding when I

↑

73

1 did my initial case review.

2 Q. Based on WHARJ based on what we
3 already discussed?

4 Q. I don't recall could you

5 enlighter I don't think that you answered
6 that question that's why I am asking it I
7 want to know what did you look at what did
8 you see what made you believe that she was
9 the owner of Brickchurch enterprises, Inc.?

10 A. Reviewing of the schedules in
11 pacers.

12 Q. When you say schedules the ones
13 attached to the bankruptcy petition?

14 A. Correct.

15 Q. Let's look at the bankruptcy
16 petition this was exhibit?

17 MR. MESSINGER: I think it was
18 three but I'm not sure.

19 MR. MURPHY: Correct it's three.

20 Q. Let's look at Exhibit number 3
21 and I want you to start from the first page
22 flip influence first thing you see
23 indicates to you she's the owner of the
24 debtor I want you to stop there and tell me
25 about it?

↑

74

1 A. Page four.

2 Q. What on page four makes you

3 believe BLS BLURNZ is the owner of the
4 debtor?

5 A. Because she signed the PE it
6 TIGS.

7 Q. What does it say under her
8 name?

9 A. Director.

10 Q. Does it say owner anywhere on
11 that page?

12 A. No it does not.

13 Q. Is tell us director similar
14 NOUNSous with owner in your mind do they
15 mean the same thing?

16 A. No.

17 Q. So why would Ms. BLURNZ's role
18 as a director lead tow believe she was the
19 owner?

20 A. It wasn't just that.

21 Q. Okay. Before we go like what
22 about that makes you believe she is as the
23 owner?

24 A. It's just the first thing that
25 I review it's I look at who signs the

1 petition first THOEN I verify it with other
2 NFRGS throughout the schedules.

3 Q. Okay?

4 A. It's not that specifically.

5 Q. I'm just -- so this says to you
6 that she's the director correct?

7 A. Yes.

8 Q. But you told me director
9 doesn't mean OORN?

10 A. Correct.

11 Q. What's the next thing in the
12 petition makes you believe she's the owner?

13 MR. MURPHY: I will object we
14 had lengthy CLOJy about petition and
15 schedules earlier sighted many pages
16 as part of this.

17 MR. ALLERDING: I disagree what
18 is AETS the next page that makes you
19 believe SHAES the owner.

20 A. Under the co-debtors.

21 Q. Can you show us what page
22 you're looking at Ms. Sylvia?

23 Q. Schedule L?

24 A. Yes she's listed co-debtor for
25 JJB partners.

↑

76

1 Q. What dose a co-debtor mean to
2 you?

3 A. That she's has an interest in
4 the JGB partners which was a mortgage on
5 the property (NOTE! NOTE! THAT WAS JGB is
6 right.)

7 Q. Schedule H says Ms. BLURZ has
8 interest in JGB participates?

9 A. Correct which I believe was
10 mortgage on the property at the time.

11 Q. Correct I'll represent to you
12 JJ a group of them had a mortgage on the
13 property I'm trying to figure out where the
14 jump she has an ownership interest this is
15 your believe BLS BLUZ has ownership
16 interest JJ and JJ has mortgage of the
17 property how does it make you believe she's
18 own of the property?

19 A. Because she has a financial
20 interest in it.

21 Q. Through a mortgage so J owner
22 of the PROIBL?

23 A. No.

24 Q. Department they have a
25 financial interest in it?

↑

77

1 A. That's -- that was another
2 thing that I looked at.

3 Q. Does JJ an owner of the
4 property?

5 A. No.

6 Q. Does JJ have a financial
7 interest in the property?

8 A. I would believe so.

9 Q. So having a financial interest
10 in the property doesn't make one the owner
11 of the property does it?

12 A. No it does not.

13 Q. All right what's the next thing
14 that made you believe she was the owner?

15 A. On page six of the schedules of
16 financial affairs.

17 Q. Okay?

18 A. She was listed as sole director
19 of the debtor.

20 Q. That's same conversation we had
21 her being listed as director on page four?

22 A. Yes.

23 Q. What's the next thing on the
24 petition that made you believe she was the
25 owner?

↑

78

1 A. The list of equity holders.

2 Q. Okay. And who are listed as
3 the equity holder of the debtor?

4 A. ABER dean ENT holding VVI.

5 Q. If you look at security class
6 what do though own equity interest in?

7 A. BRISHGZ BBI -- LTD.

8 Q. Brickchurch enterprises BVILDT
9 who else is list the on list?

10 A. Brickchurch ABVI --

11 Q. Who is Brickchurch own?

12 A. Hundred percent of the debtor's
13 corporation.

14 Q. Doesn't that tell you that
15 Brickchurch ENT DBI LTD is the owner of the
16 debtor?

17 A. But it's signed by LUSZ BLUNSZ.

18 Q. Correct. So, LOOUKZ
19 declaration under penalty of perjury on

20 behalf of corporation or partnership I the
21 director of corporation in any degree the
22 debtor in this case deck layer under
23 personality perjury I read the foregoing
24 list of equity security holding and that it
25 is true to the best of my NFRGS and belief

↑

79

1 did I read that correctly?

2 A. You did.

3 Q. Ms. BLUSZ SIEPing this as the
4 director as the debtor Brickchurch
5 enterprises, Inc. deck layering under
6 penalty of perjury that Brickchurch
7 INTROISS L was hundred person own of
8 Brickchurch enterprises, Inc.?

9 A. Yes.

10 Q. Let's finish it up go ahead if
11 you could go is there anything else in the
12 petition that would make you believe you
13 BLS BLURZ is the owner?

14 A. No.

15 Q. If we KWO look at Exhibit 4
16 hold I didn't finish so own the petition
17 and other than your conversation with Ms.

18 DPOURZ was anything that made you believe
19 Louise BLURNZ was own of Brickchurch ZIES,
20 Inc.?

21 MR. MURPHY: You as Ms. Sylvia
22 or you IRS.

23 MR. ALLERDING: You as IRS.

24 A. The research that was done and
25 our IDS system, the years of research that

↑

80

1 Spencer completed.

2 Q. What research is that?

3 A. You have to defer to Spencer
4 for that.

5 Q. You Anne didn't do the
6 research?

7 A. No.

8 Q. You relied on conversation with
9 Mr. Spencer the review of the petition the
10 I'm sorry Ms. SILDZ did you review the
11 records that Mr. GOEL prepared I didn't
12 review the records I reviewed his histories
13 that he left on the case?

14 Q. I apologize it's my first with
15 the IRS I don't know histories versus

16 records?

17 A. His documentation.

18 Q. Like statements?

19 A. Health insurance documentation
20 on the case.

21 Q. What is that documentation
22 show?

23 A. I can't recall all of his
24 documentation right now.

25 Q. Just general I'm trying figure

↑

81

1 out are these Mr. GOEL's statements or I'm
2 just to understand what the histories what
3 is a history maybe?

4 MR. MURPHY: You're asking
5 summation of large volume of
6 documents.

7 MR. ALLERDING: I'm asking
8 general identification in general
9 what is a HIFTS.

10 A. Every time somebody actions an
11 action on an account we have to leave
12 DUKSation on the accounts stating what the
13 actions were that we took.

14 Q. And so let's was there more?

15 A. No.

16 Q. Going back to this case the
17 documentation was that all generated by
18 BLCHLT GOEL?

19 A. I don't recall.

20 Q. Was it all generated by an IRS
21 employee?

22 A. Yes.

23 Q. So they were statements made by
24 IRS employees?

25 A. I guess you could say that.

↑

82

1 Q. So other than histories the pen
2 TIGS and your conversation with Mr. GOEL
3 did you rely on anyone to reach a
4 conclusion that Ms. BLOURZ was an owner of
5 the debtor?

6 A. No.

7 Q. If you could look at Exhibit 4
8 that's the proof of claim on page four
9 there's a taxpayer ID number that ends in
10 four one five four whose taxpayers ID now
11 is that?

12 A. It's TINZ number for lose BLUZ.

13 Q. As in individual right?

14 A. Yes.

15 Q. And under unsecured general
16 claims on the next page there's a taxpayers
17 ID ends in seven five two four whose
18 taxpayer tax ID is that?

19 A. Brickchurch.

20 Q. Brickchurch and Ms. BLURZ have
21 separate tax ITD numbers correct?

22 A. Correct.

23 Q. Let's go back to the
24 conversation that you had with BLCHLT GOELZ
25 where you were led to believe BLS BLUZ was

↑

83

1 tell us owner can you tell me everything
2 you remember about that conversation?

3 A. I don't recall a lot of the
4 conversation because it was a while ago.

5 Q. Okay I understand that's
6 totally reasonable can you tell me that
7 everything you do remember?

8 A. He told me I don't want to say
9 he told me because I don't recall the

10 conversation that I feel comfortable going
11 on record saying he said I don't recall
12 like I'm comfortable to say it on record
13 that he said.

14 Q. That's fair your truthful
15 answer you don't recall the conversation?

16 A. I do recall the conversation I
17 just don't recall all the aspects of the
18 conversation I don't want anything
19 misconstrued because it's been a while ago.

20 Q. You recall having a
21 conversation?

22 A. I do.

23 Q. You don't have a recollection
24 of anything specific from within that
25 conversation; is that correct?

↑

84

1 A. I recall several things from
2 the conversation.

3 Q. What do you recall?

4 A. I recall that Louise Blouin had
5 interest in abar dean property the BRISHGZ
6 property art now and know company and the
7 art know and the other company that she was

8 I believe it was a media company BLUSZ
9 BLUNZ need yea and art now and that she was
10 found to be the owner of those two
11 companies she accrued trust fund penalty
12 for unpaid trust fund TAGSs.

13 A. He did his research on that he
14 came up assessed balances she owed for the
15 unpaid trust funds and that she was alter
16 eggo or nominee of Brickchurch.

17 Q. Okay do you recall anything
18 else from that conversation?

19 A. No.

20 Q. Okay.

21 MR. MURPHY: I will say Mr. GOEL
22 can speak to a lot of these points.

23 MR. ALLERDING: We're going to
24 ask him.

25 MR. MURPHY:es's also designated

85

1 to speak to these issues on behalf of
2 IRS today just to be clear.

3 MR. ALLERDING: Sure.

4 Q. And then I believe you said
5 that you had a conversation with Mr. GOEL

6 about the language on page four of Exhibit
7 4 that was added that including our claims
8 for civil penalties and it goes on?

9 A. That wasn't a conversation I
10 had with BLCHLT GOEL.

11 Q. I'm sorry who did you have
12 conversation with?

13 A. He didn't have anything with
14 the filing of the proof of claim.

15 Q. Okay so how did you come to
16 include that language on page four?

17 A. I was advised I don't know how
18 I can say this how am I allowed to say
19 this.

20 Q. I understand I'll withdraw the
21 question let me think if I can answer a
22 different way?

23 Q. Why did you include the
24 language?

25 A. I was instructed to include it.

↑

86

1 Q. And did you ask any questions
2 regarding why you received that
3 instruction?

4 A. So that it was clear where the
5 balances were coming from because it wasn't
6 coming from Brickchurch the debtor the
7 balances were coming from BLOOUZ BLURNZ as
8 nominee or alter eggo of Brickchurch it
9 needed to be specific on a proof of claim.

10 Q. Did you do when I say you now,
11 did you MRRS Sylvia or anyone that you're
12 aware of do an investigation into why the
13 IRS was taking a position let me withdraw
14 that we'll ask BLCHLT GOEL?

15 Q.

16 MR. MURPHY: Again I will
17 suggest to you this will be better
18 area to explore with Mr. GOEL.

19 MR. ALLERDING: As I just said
20 yeah, we'll ask Mr. GOEL.

21 Q. Other than being instructed to
22 include language on the proof of claim is
23 there any other reason you included that
24 language that you added?

25 A. No.

↑

1 Q. Okay I don't have any further

2 questions Ms. E thank you Ms. Sylvia?

3 MR. MESSINGER: Thank you I have

4 nothing further Mr. Murphy.

5 MR. MURPHY: We're done.

6 MR. MESSINGER: Thank you for

7 coming.

8

9 11:55.

10

11

12

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